

**Nova Meridian Academy**  
**Budget Narrative**  
**January 12, 2010**

**Summary**

The attached budget and cash flow projections were created per the CDE's request to see an updated three year budget beginning in 2010/11. Given the deadline, please keep in mind that this budget does not include any potential mid-year rate cuts that might come out of the legislative sessions called due to the fiscal emergency. Although the Governor's preliminary budget does not call for mid-year cuts, to address the potential of mid-year cuts, a contingency has been included of \$225/ADA.

**Enrollment Projections**

The charter school has two years of historical enrollment and ADA data to pull from. In 2008/9 P-2 ADA was reported at 101.19 in Grades 9 and 10. The attendance rate of 95% is based on the historical attendance rate. 2010/11 estimates 61 students per grade in Grades 9 and 10 with ADA of 115.90. Years 2011/12 and 2012/13 estimate 60 students per grade with each year growing a grade.

**Revenue**

Revenue projections for 2010/11 are based on rates estimated by the Charter School Development Center (CSDC) in September 2009. These estimates have increased slightly with the Governor's January budget proposal, but we have kept them at the more conservative September estimates. The funding rate for the General Block Grant is estimated at \$6,084 per ADA (0% growth from 2009-10) and the rate for the categorical block grant is \$404 per ADA. In anticipation of mid-year cuts in 2009-10, which could affect the funding for 2010-11, a contingency of \$225/ADA has been included. 0% COLA is used for outgoing years.

In addition to the general and categorical block grant funding, the school will receive:

- Lottery Funding: the school will receive approximately \$125 per ADA per year for state lottery revenue (\$14 restricted, \$111 unrestricted).
- Supplemental Hourly Revenue: Assumes 2007/08 payment (\$5,345) based on July 2009 state budget. If the 2007/08 entitlement is not honored, the school will apply for the Supplemental Hourly program as a new school to earn the Supplemental Hourly Revenue.
- Arts and Music Block Grant: The school will also receive \$3,564 per year for the Arts and Music Block Grant, which has been established as a recurring grant. \$3,564 was the minimum 2008/09 allocation for schools with greater than 20 students. If the 2008/09 allocation is not honored, the school will apply for the grant as a new school.
- School Facilities (SB740): While this grant is dependent on state funds, the Governor's current proposed budget package does include this grant as a prior year and current year reimbursement grant for 2010/11. To be conservative, Nova shows this grant making the transition into a current year grant in 2011/12 (\$750 per ADA or 75% of rent, whichever is the lesser of the two). 2011/12 includes the prior year reimbursement and current year funding. Y3 includes only the current year funding.

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- Middle and High School Counseling: Assumes 2008/09 payment (\$4,158) based on July 2009 state budget. If the 2008/09 payment is not honored, the school will apply for the grant as a new school.
- Additional funds for field trips, fundraising and private donations were updated based on actual receipts for 2008/09.

**Expenses**

Expenses have been conservatively estimated by EdTec based on Nova Meridian Academy's two years of operational experience and EdTec's experience working with a number of charter schools in California. Below is a summary of the major expense categories and their underlying assumptions.

**Staffing and benefits:** For 2010/11, Nova plans to maintain its 2008/09 staffing structure. Given the ADA of 115.90 compared to the 2008/09 P-2 ADA of 101.19, Nova can maintain its 2008/09 staffing structure (5 FTE) with its Principal teaching some classes (5.5 FTE with principal as a part-time teacher). Substitute teachers were budgeted at a daily rate of \$70 assuming an absence rate of 5% over 175 days. This is consistent with Nova's historical teacher absence rate. Also on staff, Nova will have a part-time administrative assistant as well as three AVID tutors. This staffing model is the exact structure the school had in 2008/09. Nova plans to hire 3 FTE teachers and 1 FTE Counselor in Y2 and 3 FTE teachers and 0.50 FTE Counselor in Y3. COLA assumptions are 1% in Y2 and 2% in Y3.

Nova plans to continue to outsource its business services, so it will not expand its central office staff beyond what is budgeted. Nova seeks to add an additional part-time administrative assistant in Y3. AVID Tutors will grow with one 0.5 FTE hire in each out year.

	Salary			STRS			Other Payroll Taxes (OASDI, Medicare, SUI)			Payroll Total			Health & Welfare Benefits		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
<b>Certificated Administration</b>															
Principal	61,800	62,418	63,666	5,099	5,149	5,252	1,141	1,150	1,168	68,040	68,717	70,086	5,000	5,700	6,498
<b>Certificated Teachers</b>															
Teacher 1	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 2	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 3	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 4	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 5	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 6	-	44,440	45,329	-	3,666	3,740	889	902	-	48,995	49,970	5,700	6,498		
Teacher 7	-	44,440	45,329	-	3,666	3,740	889	902	-	48,995	49,970	5,700	6,498		
Teacher 8	-	44,440	45,329	-	3,666	3,740	889	902	-	48,995	49,970	5,700	6,498		
Teacher 9	-	-	45,329	-	-	3,740	-	-	902	-	-	49,971	6,498		
Teacher 10	-	-	45,329	-	-	3,740	-	-	902	-	-	49,971	6,498		
Teacher 11	-	-	45,329	-	-	3,740	-	-	902	-	-	49,971	6,498		
<b>Total</b>	<b>220,000</b>	<b>355,520</b>	<b>498,617</b>	<b>18,150</b>	<b>29,330</b>	<b>41,136</b>	<b>4,415</b>	<b>7,112</b>	<b>9,922</b>	<b>242,565</b>	<b>391,962</b>	<b>549,675</b>	<b>25,000</b>	<b>45,600</b>	<b>71,478</b>
<b>Substitutes</b>															
Estimate based on % of Teacher's absence and daily rate	3,369	5,600	8,181	278	462	675	323	538	745	3,970	6,600	9,601			
5% teacher absences- 8.75 days per year															
Daily Substitute Rate \$ 70.00 \$ 80.00 \$ 85.00															
<b>Counselors</b>															
Counselor 1	45,450	46,359	-	3,750	3,825	-	904	917	-	50,104	51,101	-	5,700	6,498	
Counselor 2	-	23,180	-	-	1,912	-	-	819	-	-	25,911	-	-	-	
<b>Total</b>	<b>45,450</b>	<b>69,539</b>	<b>-</b>	<b>3,750</b>	<b>5,737</b>	<b>-</b>	<b>904</b>	<b>1,736</b>	<b>-</b>	<b>50,104</b>	<b>77,012</b>	<b>-</b>	<b>5,700</b>	<b>6,498</b>	<b>-</b>
<b>TOTAL CERTIFICATED</b>	<b>285,169</b>	<b>468,988</b>	<b>640,003</b>	<b>23,526</b>	<b>38,692</b>	<b>52,800</b>	<b>5,879</b>	<b>9,704</b>	<b>13,571</b>	<b>314,574</b>	<b>517,384</b>	<b>706,375</b>	<b>30,000</b>	<b>57,000</b>	<b>84,474</b>
<b>Classified Administration</b>															
Administrative Assistant	17,472	17,647	18,000				1,582	1,595	1,622	19,054	19,242	19,622			
Administrative Assistant			17,513						1,585			19,098			
<b>Total</b>	<b>17,472</b>	<b>17,647</b>	<b>35,513</b>				<b>1,582</b>	<b>1,595</b>	<b>3,207</b>	<b>19,054</b>	<b>19,242</b>	<b>38,720</b>			
<b>Classified Instruction</b>															
AVID Tutor 1	9,450	9,545	9,735				968	975	990	10,418	10,520	10,725			
AVID Tutor 2	9,450	9,545	9,735				968	975	990	10,418	10,520	10,725			
AVID Tutor 3	10,000	10,100	10,302				1,010	1,018	1,033	11,010	11,118	11,335			
AVID Tutor 3	-	12,625	12,878				1,449	1,230	-	14,074	14,108				
AVID Tutor 4	-	-	12,878				-	-	1,468	-	-	14,346			
<b>Total</b>	<b>28,900</b>	<b>41,815</b>	<b>55,528</b>				<b>2,946</b>	<b>4,417</b>	<b>5,711</b>	<b>31,846</b>	<b>46,232</b>	<b>61,239</b>			
<b>TOTAL CLASSIFIED</b>	<b>46,372</b>	<b>59,462</b>	<b>91,041</b>				<b>4,528</b>	<b>6,012</b>	<b>8,918</b>	<b>50,900</b>	<b>65,474</b>	<b>99,959</b>			

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A larger version of the payroll table is attached.

Nova currently covers the costs of health insurance for its employees working greater than 75% time. Budget projections are based on actual 2008/09 costs per employee and are adjusted for inflation; assume \$5,000 per year per participating employee. Out years assume expense increase of 14% each year.

School offers STRS for its certificated employees and Social Security for non-certificated employees. Worker's Comp insurance is included at 2.2% of total salaries based on current JPA rates offered by the CA Charter Schools Association (CCSA).

**Books and Supplies:** In 2010/11, Nova plans minimal expenses for textbooks and core materials, books and other reference materials, classroom furniture and equipment, computers and office furniture and equipment since inventory is on hand. In 2008/09, Nova purchased an excess of Books and Supplies with its PCSGP grant monies and has plenty of inventory for 2010/11 given it is not growing a grade. Instructional materials are assumed to be \$130 per student. As for computers, Nova estimates purchasing replacement computers for \$5K, which assumes 10 new computers at \$500 each. Office supplies are budgeted at \$500/month, Custodial Supplies at \$292/month and Other Food at \$54/month.

For out years, Nova is assuming the following:

- Textbooks and core materials: \$266/new student
- Books and other reference materials: \$53/new student
- Custodial supplies: \$375/month in Y2, \$416/month in Y3
- Educational software: \$45 in licensing fees for 22 laptops
- Instructional materials: \$130/ADA
- Office Supplies: \$500/month
- PE Supplies: \$2.5K of new equipment in Y2 and Y3
- Classroom furniture and equipment: \$150/new student
- Computers: 30 new/replacement laptops at \$500
- Office furniture and equipment: \$1.5K per new FTE
- Other food: \$80/month in Y2, \$100/month in Y3

**Services and Operating Expenditures:** The school has budgeted 1% of the general and categorical block grant for oversight fees payable to the State.

Given the school will be similar in total enrollment and rental space is widely available, the facilities expense in 2010/11 reflects the 2008/09 square footage and rental rate increased by 3% (\$0.906/sq ft/month). August 2009 real estate research showed that Nova was paying slightly higher than the going market rate. Additional facilities related expenses include budgeted janitorial services and utilities are based on historical expense. Out years assume rates increased by 3% and additional square footage (80 square feet per

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student). If Nova decides to return to its previous facility, it has enough space available for Nova to operate until Y3. Relocation expense has been budgeted in Y3.

For purposes of the state appeal, the budget assumes that the school will operate as a member of the El Dorado SELPA. As such, Special Education revenues equal to \$465.44 per ADA have been added, based on the EL Dorado SELPA rate, as well as expenses equal to those revenues and a \$300 (self) encroachment (based on the encroachment estimated by San Bernardino City Unified School district since Colton has not provided an encroachment estimate) to cover additional expenses above the revenues received.

In the past, Nova had insurance coverage through CCSA JPA and the prior proposal rate adjusted for inflation and ADA was used in the budget.

Nova includes \$8K in its budget for Marketing and Student Recruiting. This includes newspaper and radio ads.

In 2010/11, Nova will begin payment of the Revolving Loan with interest payments of \$11,038. The California Department of Education payment schedule has been attached. Y2 does include 7% interest for an estimated \$100k CCSA Growth Loan along with the Revolving Loan interest payments.

The school has budgeted to contract with a back office business provider to manage the school's business office in partnership with the Principal. These services include accounts payable, payroll, financial reporting, budgeting and attendance tracking.

Nova has budgeted \$7,300 for audit fees based on its prior contract with its auditor; \$2K in conference fees and associated travel expenses are budgeted for the Principal to attend the annual California Charter School Association (CCSA) conference; \$1800 is budgeted for professional development; \$5K for Consultants-Other is budgeted for attendance consulting based on historical fees; CCSA membership dues are under Dues and Memberships for \$1,545; a copier lease is budgeted under Equipment Leases at \$300/month; Field Trips is budgeted for \$1K to supplement fundraising efforts; Student Assessment is based on historical expense of \$2K; Student Information System is based on historical expense of \$2,775 using Focus School Software.

Internet, telephone, fingerprinting, postage, payroll fees, staff recruiting and legal fees are also budgeted. All of these assumptions are in line with typical charter school expenditures.

To accommodate the growth in teaching staff, Conference Fees, Professional Development, Payroll Fees, Staff Recruiting and all associated Travel & Lodging expenses have been increased in 2010 through 2012.

**Capital Outlay:** No capital building improvements are planned for 2010/11. In years 2 and 3, Nova plans building improvements to outfit the space for its growth in students.

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**Cash Flow:** Nova will start 2010/11 with funds carried over from prior operating years with an estimated July 2010 starting cash balance of \$180,000. In 2010/11, the cash flow reflects State Aid disbursements as a new school.

A majority of the Books & Supplies expense lines are projected to be expensed in August and September of the fiscal year. Services and Other Operating are expensed based on historical spending patterns.

Revolving Loan repayments of \$8,333 are to be paid each month from September through February. Year 2 does include the CCSA Growth Loan to aid the school in its growth of a grade. Repayments are also shown in Y2.

**Contingencies and Reserves:** Nova will begin the 2010/11 fiscal year with an audited fund balance of \$145,118, which is comprised of the audited 2007/08 fund balance of \$37,711 and the audited 2008/09 fund balance of \$107,407. This audited fund balance exceeds the five percent recommended reserve. The school projects to end 2010/11 with a fund balance of nearly \$178k.

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Budget Summary

	2010/11	2010/11	2011/12	2012/13
	Budget - Forecast	Notes	Budget - Forecast	Budget - Forecast
<b>SUMMARY</b>				
<b>Revenue</b>				
General Block Grant	760,635		1,118,124	1,487,940
Federal Income	53,944		79,590	106,120
Other State Income	27,555		238,836	198,193
Other Local Revenue	7,334		7,554	7,781
Fundraising and Grants	5,030		5,181	5,336
<b>Total Revenue</b>	<b>854,498</b>		<b>1,449,286</b>	<b>1,805,370</b>
<b>Expenses</b>				
Compensation and Benefits	402,718		651,405	906,784
Books & Supplies	37,347		87,290	96,981
Services & Operating Exp.	376,841		553,110	706,731
Capital Outlay	-		10,000	10,300
<b>Total Expenses</b>	<b>816,907</b>		<b>1,301,806</b>	<b>1,720,796</b>
<b>Operating Income (excluding Depreciation)</b>	<b>37,592</b>		<b>147,480</b>	<b>84,575</b>
<i>Operating Income (including Depreciation)</i>	<i>32,592</i>		<i>152,480</i>	<i>87,875</i>
<b>Fund Balance</b>				
Beginning Balance (Unaudited)			177,710	330,189
Beginning Balance (Audited)	145,118	2007/08 audited ending balance of \$37,711 plus 2008/09 audited ending balance of \$107,407.		
Operating Income (including Depreciation)	32,592		152,480	87,875
<b>Ending Fund Balance (including Depreciation)</b>	<b>177,710</b>		<b>330,189</b>	<b>418,064</b>
CDE Recommended Reserve (5% of Expenses)	40,845		65,090	86,040
<i>Contingency for 2009-10 Mid-Year Rate Cut</i>	<i>26,078</i>	Contingency of \$225/ADA for potential State Budget mid-year cut in 2009-10 which may affect 2010-11 rates		

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	2010/11	2010/11	2011/12	2012/13
	Budget - Forecast	Notes	Budget - Forecast	Budget - Forecast
<b>DETAIL</b>				
<b>Enrollment</b>				
9 to 12	122	61 students in grades 9 & 10; 2011/12: 60 students in grades 9-11; 2012/13: 60 students in grades 9-12	180	240
Total Enrollment	122		180	240
<b>Attendance Rates</b>				
9 to 12	95.0%	Based on historical attendance rate	95.0%	95.0%
Average	95.0%		95.0%	95.0%
<b>ADA</b>				
9 to 12	115.9	Based on historical student population	171	228
Total ADA	115.9		171	228
Economically Disadvantaged	5		9	14
Free Lunch	5		7	13
Reduced Lunch	15	20	25	
English Language Learners	-	-	-	

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		2010/11	2010/11	2011/12	2012/13
		Budget - Forecast	Notes	Budget - Forecast	Budget - Forecast
<b>Revenue</b>					
	General Purpose Block Grant (9 - 12)	705,136	\$6084/ADA provided by CSDC September 2009 Crystal Ball estimates; contingency of \$225/ADA for potential State Budget mid-year cut in 2009-10 which may affect 2010-11 rates is shown above	1,040,364	1,387,152
	Subtotal General Purpose Block Grant	<u>705,136</u>	0% COLA used in out years	<u>1,040,364</u>	<u>1,387,152</u>
8015	State Aid	665,648	Breakout between State Aid and Property tax based on percentage allocation from Nova 2008-09 P-2	982,104	1,309,471
8780	Property Tax	39,488		58,260	77,681
8480	Charter Schools Categorical Block Grant	55,500	\$404 per ADA per CSDC; includes \$317 per ED & ELL student at a minimum of \$8676 for in-lieu EIA funding	77,760	100,788
	Subtotal - General Block Grant	<u>760,635</u>		<u>1,118,124</u>	<u>1,487,940</u>
8182	Special Education Reimbursement	53,944	Assumes \$465.44 per ADA in all years based on El Dorado SELPA rate	79,590	106,120
	Subtotal - Federal Income	<u>53,944</u>		<u>79,590</u>	<u>106,120</u>
8545	School Facilities (SB740)	-	Assumes current year funding; grant based on \$750/ADA or 75% of rent, whichever is lesser of the two	117,469	156,626
8560	State Lottery Revenue	14,488	\$125 per ADA per CSDC; \$111 lottery base, \$14 restricted for instructional materials; accrued in Y1, paid in Y2	21,375	28,500
8591	Supplemental Hourly Revenue	5,345	Based on 2007/08 entitlement	5,345	5,345
0000	Arts & Music Block Grant	3,564	Based on 2008/09 entitlement	3,564	3,564
0000	Middle and High School Counseling	4,158	Based on 2008/09 entitlement	4,158	4,158
0000	School Facilities (SB740) 2010-11 Prior Year Reimbursement	-	Assumes 2010-11 reimbursement to be received in 2011-12	86,925	-
	Subtotal - Other State Income	<u>27,555</u>		<u>238,836</u>	<u>198,193</u>
8693	Field Trips	2,518	Based on actual 08/09	2,594	2,671
8699	Other Local Revenue	4,816	Based on actual 08/09	4,960	5,109
	Subtotal - Local Revenues	<u>7,334</u>		<u>7,554</u>	<u>7,781</u>
8694	Fundraising	5,030	Based on actual 08/09	5,181	5,336
	Subtotal - Fundraising and Grants	<u>5,030</u>		<u>5,181</u>	<u>5,336</u>
	<b>TOTAL REVENUE</b>	<b><u>854,498</u></b>		<b><u>1,449,286</u></b>	<b><u>1,805,370</u></b>

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	2010/11	2010/11	2011/12	2012/13
	Budget - Forecast	Notes	Budget - Forecast	Budget - Forecast
<b>Expenses</b>				
<b>1000 Certificated Employees</b>				
		2010/11 compensation, benefits and organizational structure are based on 2008/09; Assumes 1% COLA in 2011/12; 2% COLA in 2012/13		
Administration (Cert)	61,800	1 FTE	62,418	63,666
Teachers (Cert)	220,000	5 FTE 2010/11; 5 teachers on payroll, Principal to teach half time in Y1; average teacher salary of \$44K; 8 FTE in 2011/12; 11 FTE in 2012/13	355,520	498,617
Substitutes (Cert)	3,369	Assumes 5% absence rate and \$70 daily rate	5,600	8,181
Counselors	-	1 FTE in 2011/12; add 0.50 FTE in 2012/13	45,450	69,539
<b>SUBTOTAL</b>	<b>285,169</b>		<b>468,988</b>	<b>640,003</b>
<b>2000 Classified Employees</b>				
		2010/11 compensation, benefits and organizational structure are based on 2008/09; Assumes 1% COLA in 2011/12; 2% COLA in 2012/13		
Administration (Class)	17,472	0.50 FTE administrative assistant; increase to 1 FTE in 2012/13	17,647	35,513
Instruction (Class)	28,900	3 part-time AVID tutors; add 0.50 FTE in each out year	41,814	55,528
<b>SUBTOTAL</b>	<b>46,372</b>		<b>59,461</b>	<b>91,041</b>
<b>3000 Employee Benefits</b>				
3401- Health Insurance	30,000	\$5000 per eligible employee per year; historical rate of \$4500/employee; growing at 14% each year	57,000	84,474
3301- Social Security/Medicare/ETT	7,912	6.2% OASDI and 1.45% Medicare	11,720	16,780
3501- Unemployment Insurance - State	2,495	3.4% State Unemployment Tax on first \$7,000 of income	3,998	5,712
3101 STRS	23,526	8.25% of Certificated Salaries	38,692	52,800
3601- Worker's Comp	7,244	2.2% of Gross Pay	11,547	15,973
<b>SUBTOTAL</b>	<b>71,178</b>		<b>122,957</b>	<b>175,740</b>

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		2010/11	2010/11	2011/12	2012/13
		Budget - Forecast	Notes	Budget - Forecast	Budget - Forecast
<b>4000 Books and Supplies</b>					
4100	Textbooks and Core Materials	2,000	2010/11 minimal replacement necessary; inventory on hand; out years assume \$266 per new student	15,960	16,439
4200	Books and Other Reference Materials	2,000	2010/11 minimal replacement necessary; inventory on hand; out years assume \$53 per new student	3,180	3,275
4315	Custodial Supplies	3,500	Based on historical expense - \$292 per month; growth in out years with increase in students	4,500	5,000
4320	Educational Software	1,000	Assumes software licensing fees at \$45 for 22 student laptops	1,030	1,061
4325	Instructional Materials	15,067	Assumes \$130 per ADA	22,230	29,640
4330	Office Supplies	6,000	Assumes \$500/month	6,180	6,365
4335	PE Supplies	-	Inventory on hand; New equipment to be purchased in 2011-13 school years	2,500	2,500
4410	Classroom Furniture and Equipment	1,000	2010/11 minimal replacement necessary; inventory on hand; assumes \$150 per new student in out years	9,000	9,000
4420	Computers	5,000	2010/11 assumes replacement computers; assumes 10 new computers at \$500; assumes 30 new computers at \$500 in each out year	15,000	15,000
4430	Office Furniture and Equipment	1,000	2010/11 minimal replacement necessary; inventory on hand; assumes \$1.5K per new FTE in out years	6,750	7,500
4720	Other Food	780	Based on historical use - \$54/month; \$80 per month in 2010/11 and \$100 per month in 2011/12	960	1,200
<b>SUBTOTAL</b>		<b>37,347</b>		<b>87,290</b>	<b>96,981</b>

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		2010/11	2010/11	2011/12	2012/13
		Budget - Forecast	Notes	Budget - Forecast	Budget - Forecast
<b>5000 Services and Other Operating Expenditures</b>					
5803	Accounting Fees	7,300	Based on prior contract with Hosaka, Nagel & Co.	7,519	7,745
5809	Banking Fees	120	Based on historical - \$10/month	124	127
5812	Business Services	59,114	Back office services including Accounts Payable, Accounts Receivable, financial forecasting, payroll services, and attendance reporting assistance	94,987	116,343
5910	Communications - Internet / Website Fees	1,800	Assumes \$150/month	1,854	1,910
5920	Communications - Telephone & Fax	2,400	Assumes \$200/month	2,472	2,546
5210	Conference Fees	500	Assumes attendance at CCSA conference for Principal; out years assume additional teachers attending conferences	3,000	5,000
5854	Consultants - Other	5,000	Assumes fees for attendance consulting; out years assume attendance consulting and temporary administrative help	12,000	12,000
5824	Oversight Fees	7,520	1.0% of General & Categorical Block Grants	11,094	14,793
5305	Dues & Membership	1,545	Based on historical - CCSA membership	1,591	1,639
5605	Equipment Leases	3,600	Copier lease - \$300 per month; 2011/12 assumes an additional copier lease	7,200	7,200
5830	Field Trips	1,000	Supplements fundraising efforts; trip to Aquarium of the Pacific	1,500	2,000
5836	Fingerprinting	400	Assumes \$40 per new employee	235	300
5450	Insurance - Other	8,500	Based on prior CCSA JPA proposal adjusted for inflation; out years adjusted for ADA growth and 3% premium increase	13,168	16,563
5844	Interest Expense	11,038	Based on Revolving Loan Fund payment schedule; Includes CCSA Growth Loan in Y2 to assist with the growth of a grade (\$100k principal with 7% interest)	12,286	3,891
5515	Janitorial Services	10,800	Assumes \$900/month; out years increase based on increase in students and facility space	18,000	22,800
5845	Legal Fees	5,000	Based on average charter school fees	5,150	5,305
5851	Marketing and Student Recruiting	8,000	Assumes newspaper and radio ads (Radio Lazer, The Sun Newspaper, City News Group)	10,000	10,000
5899	Miscellaneous Operating Expenses	2,000	Based on average charter school fees	2,000	3,500
5857	Payroll Fees	3,000	Assumes \$250/month; out years assume increase with additional employees	4,920	6,600
5915	Postage and Delivery	1,403	\$11.50 per student; based on historical	2,132	2,928
5863	Professional Development	1,800	Assumes AVID training and training offered by San Bernardino County; increased with growth in staff	5,000	7,500
5875	Recruiting - Staff	600	Fee for EdJoin; increased with growth in staff	2,500	3,500
5866	Relocation	-	Assumes \$10K in 2012/13 for moving expenses	-	10,000
5610	Rent	118,512	For 2010/11, rent based on 08-09 actuals plus 3% inflation. Rate of \$0.906/sq ft/month, roughly 80 sq ft per student; out years assume similar sq/ft per student and rates adjusted for inflation	156,626	208,835
5615	Repairs and Maintenance - Building	4,000	Based on actual 08-09 - \$375 monthly	4,000	4,000
5869	Special Education Contract Instructors	53,944	Assumed equivalent to Special Education Revenues; includes El Dorado SELPA 10% administrative fee	79,590	106,120
5872	Special Education Encroachment	34,770	Amount reserved for additional SPED costs; \$300 per ADA as estimated by San Bernardino City Unified School District	52,839	72,566
5878	Student Assessment	2,000	Based on historical; fees for College Board, PSAT, ETS	2,060	2,122
5881	Student Information System	2,775	Based on historical; Focus School Software; increased with growth in students	4,163	5,000
5893	Transportation - Student	2,500	2010/11 assumes three bus rentals at \$833/rental; increased with growth in students	6,000	7,000

**Nova Meridian Academy**  
Budget Summary

		2010/11	2010/11	2011/12	2012/13
		Budget - Forecast	Notes	Budget - Forecast	Budget - Forecast
5225	Travel - Meals & Entertainment	500	Assumes budget for CCSA conference; increase with growth in staff	1,500	2,000
5215	Travel - Mileage, Parking, Tolls	500	Assumes budget for CCSA conference; increase with growth in staff	2,000	2,500
5220	Travel and Lodging	500	Assumes budget for CCSA conference; increase with growth in staff	4,000	6,000
5510	Utilities - Gas and Electric	14,400	Based on historical - \$1200/month; increased with growth in building size	21,600	26,400
<b>SUBTOTAL</b>		<b>376,841</b>		<b>553,110</b>	<b>706,731</b>
<b>6000 Capital Outlay</b>					
6200	Buildings & Improvement of Buildings	-	Y2-3 include building out investments for new building	10,000	10,300
<b>SUBTOTAL</b>		<b>-</b>		<b>10,000</b>	<b>10,300</b>
<b>TOTAL EXPENSES</b>		<b>816,907</b>		<b>1,301,806</b>	<b>1,720,796</b>
<b>Depreciation - Current Year</b>		<b>5,000</b>		<b>5,000</b>	<b>7,000</b>
<b>SUBTOTAL - Depreciation</b>		<b>5,000</b>		<b>5,000</b>	<b>7,000</b>
<b>TOTAL EXPENSES including Depreciation</b>		<b>821,907</b>		<b>1,296,806</b>	<b>1,717,496</b>

**Nova Meridian Academy**  
Cash Forecast

2010/11

	Jul Projected	Aug Projected	Sep Projected	Oct Projected	Nov Projected	Dec Projected	Jan Projected	Feb Projected	Mar Projected	Apr Projected	May Projected	Jun Projected
<b>BEGINNING CASH</b>	180,000	159,737	125,983	302,994	229,267	159,894	286,337	218,590	153,181	124,000	111,166	94,130
<b>INCOME</b>												
Subtotal - General Block Grant	-	173	269,898	3,159	3,159	196,204	3,159	3,159	30,592	46,954	47,753	47,753
Subtotal - Federal Income	-	-	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,394	5,394
Subtotal - Other State Income	-	-	-	-	481	750	241	2,475	429	636	636	6,576
Subtotal - Fundraising and Grants	-	-	-	-	-	2,000	-	-	1,258	-	-	1,773
<b>TOTAL INCOME</b>	-	173	275,774	9,535	10,516	204,830	9,776	11,863	38,320	53,466	54,265	61,978
<b>EXPENSES</b>												
1000-3000 Compensation & Benefits	8,150	9,859	38,651	38,528	38,279	38,279	38,653	38,404	38,329	38,304	38,304	38,980
4000 Books & Supplies	-	13,227	13,655	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163
5000 Services & Other Operating Expenses	12,113	10,842	41,791	38,904	35,780	34,279	33,041	33,039	31,676	30,501	35,501	39,376
6000 Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL EXPENSES</b>	20,263	33,928	94,096	78,595	75,222	73,721	72,856	72,605	71,167	69,967	74,967	79,519
<b>NET OPERATING CASH INFLOW (OUTFLOW)</b>	(20,263)	(33,755)	181,678	(69,060)	(64,706)	131,109	(63,081)	(60,742)	(32,847)	(16,501)	(20,702)	(17,541)
Prior Year Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Prior Year Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Change in Accounts Receivable (current yr)												
Change in Accounts Payable (current yr)												
Summerholdback for Teachers			3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667	3,667
Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Loan Payments	-	-	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	-	-
Other Balance Sheet Changes (prepaids etc)												
<b>ENDING CASH</b>	159,737	125,983	302,994	229,267	159,894	286,337	218,590	153,181	124,000	111,166	94,130	80,256

Teachers work 10, paid over 12 months

Revolving Loan Payments

**Nova Meridian Academy**  
Cash Forecast

2011/12

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	Projected											
<b>BEGINNING CASH</b>	80,256	145,429	120,587	70,551	25,280	71,135	205,919	169,082	138,402	231,805	225,704	217,348
<b>INCOME</b>												
Subtotal - General Block Grant	-	36,236	88,494	68,300	71,933	83,206	68,300	68,300	130,154	123,970	123,970	123,970
Subtotal - Federal Income	-	-	7,959	7,959	7,959	7,959	7,959	7,959	7,959	7,959	7,959	7,959
Subtotal - Other State Income	-	267	267	481	5,825	146,141	481	2,263	64,295	216	216	11,500
Subtotal - Fundraising and Grants	-	-	1,295	-	-	1,295	-	-	1,295	-	-	1,295
<b>TOTAL INCOME</b>	-	36,503	98,771	77,496	86,472	239,356	77,496	79,278	204,459	132,900	132,900	145,479
<b>EXPENSES</b>												
1000-3000 Compensation & Benefits	10,027	11,754	63,247	63,047	62,648	62,648	63,247	62,847	62,728	62,688	62,688	63,837
4000 Books & Supplies	-	32,732	33,278	2,364	2,364	2,364	4,736	1,870	1,870	1,870	1,870	1,968
5000 Services & Other Operating Expenses	15,653	23,196	57,117	54,947	48,197	44,396	43,941	42,832	52,383	51,369	53,624	65,455
6000 Capital Outlay	-	-	-	-	-	-	-	-	-	4,000	4,000	2,000
<b>TOTAL EXPENSES</b>	25,680	67,682	153,643	120,359	113,209	109,408	111,925	107,550	116,981	119,927	122,182	133,260
<b>NET OPERATING CASH INFLOW (OUTFLOW)</b>	(25,680)	(31,179)	(54,872)	(42,863)	(26,737)	129,948	(34,429)	(28,272)	87,478	12,973	10,719	12,219
Prior Year Revenue	109,515		7,244	-	-	7,244						
Prior Year Expenses												
Change in Accounts Receivable (current yr)												
Change in Accounts Payable (current yr)												
Summerholdback for Teachers	(18,663)	(18,663)	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925	5,925
Loan Proceeds	-	25,000	-	-	75,000	-	-	-	-	-	-	-
Loan Payments	-	-	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	-	(25,000)	(25,000)	(50,000)
Other Balance Sheet Changes (prepaids etc)												
<b>ENDING CASH</b>	145,429	120,587	70,551	25,280	71,135	205,919	169,082	138,402	231,805	225,704	217,348	185,493

Lottery

Prior Year General and Categorical Grants

Summerholdback paid out

CCSA Growth Loan (\$100K Principal)

CCSA Growth Loan Payments

**Nova Meridian Academy**  
Cash Forecast

2012/13

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	Projected											
<b>BEGINNING CASH</b>	185,493	264,590	210,846	126,692	83,668	55,269	107,649	65,416	25,537	141,007	165,947	190,894
<b>INCOME</b>												
Subtotal - General Block Grant	-	53,177	106,942	100,294	105,654	115,605	100,294	100,294	165,611	157,738	157,738	157,738
Subtotal - Federal Income	-	-	10,612	10,612	10,612	10,612	10,612	10,612	10,612	10,612	10,612	10,612
Subtotal - Other State Income	-	123	347	428	8,044	78,741	428	2,210	85,629	374	382	14,363
Subtotal - Fundraising and Grants	-	-	1,334	-	-	1,334	-	-	1,334	-	-	1,334
<b>TOTAL INCOME</b>	-	53,300	120,014	112,111	125,088	207,070	112,111	113,893	263,964	169,502	169,509	184,825
<b>EXPENSES</b>												
1000-3000 Compensation & Benefits	12,422	15,897	88,252	87,966	87,395	87,395	88,252	87,680	87,509	87,452	87,452	89,146
4000 Books & Supplies	-	36,312	36,932	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637	2,637
5000 Services & Other Operating Expenses	20,441	29,844	74,840	66,953	63,203	67,078	63,203	63,203	66,429	62,554	62,554	66,429
6000 Capital Outlay	-	4,120	4,120	229	229	229	229	229	229	229	229	229
<b>TOTAL EXPENSES</b>	32,863	86,174	204,144	157,785	153,464	157,339	154,321	153,749	156,805	152,872	152,872	158,441
<b>NET OPERATING CASH INFLOW (OUTFLOW)</b>	(32,863)	(32,874)	(84,130)	(45,674)	(28,376)	49,731	(42,209)	(39,856)	107,159	16,630	16,637	26,383
Prior Year Revenue	132,831	-	-	2,672	-	2,672	-	-	-	-	-	-
Prior Year Expenses	(0)	-	-	-	-	-	-	-	-	-	-	-
Change in Accounts Receivable (current yr)												
Change in Accounts Payable (current yr)												
Summerholdback for Teachers	(20,870)	(20,870)	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310	8,310
Loan Proceeds	-	-	-	-	-	-	-	-	-	-	-	-
Loan Payments	-	-	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	-	-	-	-
Other Balance Sheet Changes (prepaids etc)												
<b>ENDING CASH</b>	264,590	210,846	126,692	83,668	55,269	107,649	65,416	25,537	141,007	165,947	190,894	225,588

Payroll

	Salary			STRS			Other Payroll Taxes (OASDI, Medicare, SUI)			Payroll Total			Health & Welfare Benefits		
	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12	2009-10	2010-11	2011-12
<b>Certificated Administration</b>															
Principal	61,800	62,418	63,666	5,099	5,149	5,252	1,141	1,150	1,168	68,040	68,717	70,086	5,000	5,700	6,498
<b>Certificated Teachers</b>															
Teacher 1	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 2	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 3	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 4	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 5	44,000	44,440	45,329	3,630	3,666	3,740	883	889	902	48,513	48,995	49,970	5,000	5,700	6,498
Teacher 6	-	44,440	45,329	-	3,666	3,740	-	889	902	-	48,995	49,970	-	5,700	6,498
Teacher 7	-	44,440	45,329	-	3,666	3,740	-	889	902	-	48,995	49,970	-	5,700	6,498
Teacher 8	-	44,440	45,329	-	3,666	3,740	-	889	902	-	48,995	49,970	-	5,700	6,498
Teacher 9	-	-	45,329	-	-	3,740	-	-	902	-	-	49,971	-	-	6,498
Teacher 10	-	-	45,329	-	-	3,740	-	-	902	-	-	49,971	-	-	6,498
Teacher 11	-	-	45,329	-	-	3,740	-	-	902	-	-	49,971	-	-	6,498
<b>Total</b>	<b>220,000</b>	<b>355,520</b>	<b>498,617</b>	<b>18,150</b>	<b>29,330</b>	<b>41,136</b>	<b>4,415</b>	<b>7,112</b>	<b>9,922</b>	<b>242,565</b>	<b>391,962</b>	<b>549,675</b>	<b>25,000</b>	<b>45,600</b>	<b>71,478</b>
<b>Substitutes</b>															
Estimate based on % of Teacher's absence and daily rate	3,369	5,600	8,181	278	462	675	323	538	745	3,970	6,600	9,601			
5% teacher absences- 8.75 days per year															
Daily Substitute Rate	\$ 70.00	\$ 80.00	\$ 85.00												
<b>Counselors</b>															
Counselor 1		45,450	46,359	-	3,750	3,825		904	917	-	50,104	51,101		5,700	6,498
Counselor 2		-	23,180	-	-	1,912			819	-	-	25,911		-	-
<b>Total</b>	<b>-</b>	<b>45,450</b>	<b>69,539</b>	<b>-</b>	<b>3,750</b>	<b>5,737</b>	<b>-</b>	<b>904</b>	<b>1,736</b>	<b>-</b>	<b>50,104</b>	<b>77,012</b>	<b>-</b>	<b>5,700</b>	<b>6,498</b>
<b>TOTAL CERTIFICATED</b>	<b>285,169</b>	<b>468,988</b>	<b>640,003</b>	<b>23,526</b>	<b>38,692</b>	<b>52,800</b>	<b>5,879</b>	<b>9,704</b>	<b>13,571</b>	<b>314,574</b>	<b>517,384</b>	<b>706,375</b>	<b>30,000</b>	<b>57,000</b>	<b>84,474</b>
<b>Classified Administration</b>															
Administrative Assistant	17,472	17,647	18,000				1,582	1,595	1,622	19,054	19,242	19,622			
Administrative Assistant			17,513						1,585	-	-	19,098			
<b>Total</b>	<b>17,472</b>	<b>17,647</b>	<b>35,513</b>				<b>1,582</b>	<b>1,595</b>	<b>3,207</b>	<b>19,054</b>	<b>19,242</b>	<b>38,720</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Classified Instruction</b>															
AVID Tutor 1	9,450	9,545	9,735				968	975	990	10,418	10,520	10,725			
AVID Tutor 2	9,450	9,545	9,735				968	975	990	10,418	10,520	10,725			
AVID Tutor 3	10,000	10,100	10,302				1,010	1,018	1,033	11,010	11,118	11,335			
AVID Tutor 3	-	12,625	12,878					1,449	1,230	-	14,074	14,108			
AVID Tutor 4		-	12,878						1,468	-	-	14,346			
<b>Total</b>	<b>28,900</b>	<b>41,815</b>	<b>55,528</b>				<b>2,946</b>	<b>4,417</b>	<b>5,711</b>	<b>31,846</b>	<b>46,232</b>	<b>61,239</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL CLASSIFIED</b>	<b>46,372</b>	<b>59,462</b>	<b>91,041</b>				<b>4,528</b>	<b>6,012</b>	<b>8,918</b>	<b>50,900</b>	<b>65,474</b>	<b>99,959</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Charter School Revolving Loan Program Loan Repayment Schedule

**Charter School Name:** Nova Meridian Academy      **Charter Number:** 860  
**Authorizing Entity:** Colton USD  
**Loan Amount:** \$250,000      **Repayment Period:** 5 Years  
**Date of Disbursement:** 7/7/2008      **PMIA Interest Rate:** 2.79%

Repayment Year/ Fiscal Year	Year 1 2009-10	Year 2 2010-11	Year 3 2011-12	Year 4 2012-13	Year 5 2013-14
<b>Loan Balance</b>	\$250,000	\$ 200,000	\$ 150,000	\$ 100,000	\$ 50,000
<b>Principal Payment</b>	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
<b>Interest Payment</b>	11,038	5,286	3,891	2,496	1,101
<b>Total Repayment *</b>	\$ 61,038	\$ 55,286	\$ 53,891	\$ 52,496	\$ 51,101

Amounts to be deducted annually from September-February